C8650-4A

Volume 64, Number 3
March 1986

Electric Light & Power

THE NEWS MAGAZINE OF ELECTRIC UTILITY MANAGEMENT AND TECHNOLOGY

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NRC takes another look at B&W reactor safety

Don Minner
Associate Editor

WASHINGTON, D.C.—Several recent events have moved the Nuclear Regulatory Commission to begin a reassessment of the long term safety of nuclear reactors designed by Babcock & Wilcox Company (B&W).

The six utilities operating B&W reactors in the U.S. were notified in a Jan. 24 letter from NRC Acting Executive Director for Operations Victor Stello that the reassessment work will begin immediately. The NRC staff said the reactors can operate safely in the interim.

Stello said he asked the B&W Owners Group to take a leadership role in developing with the NRC the plans for re-examination. The NRC hopes to have its work completed in 1986.

According to the NRC, B&W plants are more sensitive in their response to operational events than other pressurized water reactors. Even though the utilities operating the units have been making modifications, the NRC noted that the number and complexity of events has not decreased. The staff said it recognizes that significant differences exist among the B&W plants that need to be considered.

In its reassessment, the NRC said "the staff will determine whether the present set of requirements for B&W reactors are appropriate for the long term and lead to a level of safety at these reactors that is comparable to other pressurized water reactors."

Jim Taylor, manager of licensing services at B&W's Nuclear Power Division said, "In light of the external pressures placed on the NRC, the request of a re-assessment was probably appropriate."

He pointed out that the B&W Owners Group presented a report to the NRC on Feb. 5 that was favorably received regarding a recent re-direction of some of its activities aimed at improving performance.

B&W reactors were examined after the Three Mile Island-2 accident in 1979, according to NRC spokesman John Kopeck.

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Sacramento Municipal Utility District's 918 MW Rancho Seco-1 nuclear plant is the subject of a special investigation by the Nuclear Regulatory Commission. Electrical power to the Integrated Control System was lost on Dec.26. The NRC said it is one in a recent series of events that have caused the commission to examine the safety of Babcock & Wilcox-designed reactors.

PSI decides to write off most of its $2.7B Marble Hill investment

PLAINFILED, IN—Public Service Indiana's Board of Directors announced in late Janaury that " a substantial portion" of the utility's $2.7 billion investment in the cancelled Marble Hill nuclear plant will be written off.

The board voted to omit PSI's common stock dividend for the next three years and said the preferred stock dividend would not be paid out in the first quarter.

PSI also said it had accepted a negotiated rate aettlement with the state's Utility Consumer Counselor for an 8.2 percent, or $68.2 million rate increase. A five percent emergency surcharge in effect since March 1984 would become permanent. The company had asked for a 9.2 percent rate increase in Feb. 1985.

Acceptable alternative

"It's not what we had ideally hoped for," expressed utility spokeswoman Chris Combs, "but it's the most acceptable alternative."

The negotiated settlement still must be approved by the Indiana Public Service Commission.

When cancelled Nov. 14, 1984, almost $2.7 billion had been spent on the two unit plant which was 50 percent complete.

After the Indiana Supreme Court ruled last November (See Jan. *EL&P*, p.1) that Northern Indiana Public Service Co. could not recover any of its $191 million investment in its cancelled Bailly plant, PSI decided not to attempt to recover the full costs of Marble Hill.

Combs admitted the state supreme court's decision to rule out amortization of Bailly "had quite a bit of influence" on PSI's decision to write off a large amount of the plant.

Hugh A. Barker, PSI chairman, said, "The decision to write off a substantial portion of the Marble Hill investment and accept the settlement came after much study. But in light of recent court action and other factors, we had to accept a way to ensure reliable service to our current customers and those people and companies who consider locating here."

Amount not known

The amount of the write-off will not be known until a review is done by regulatory authorities, stated the utility.

Terms of the settlement agreement call for the utility to restrict its capital expenditures over the next three years to the $285.1 million already

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st CFB boiler set in place

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The world's first utility-scale circulating fluidized bed (CFB) boiler, supplied by Pyropower Corp., was set in place in January at Colorado-UTE Electric Association's mothballed 36 MW Nucla station. When completed in 1987, Pyropower said the facility will have a post-retrofit capacity of 110 MW. The Pyroflow CFB boiler will generate 925,000 lbs. of steam per hour, making it the world's largest CFB boiler.

Revenue, earnings increase for most electric utilities in '85

Don Minner
Associate Editor

BARRINGTON, IL—Increased electricity sales, rate relief and weather-related demand were all factors that improved the 1985 operating and earnings performances of most electric utilities included in a recent survey of year-end financial statements.

EL&P looked at 1985 operating revenue and earnings per share data from 29 early reporting investor-owned utilities. (See chart on p.12)

Rate increases last year helped boost revenues at Detroit Edison (6.3%), Central South West Corp.(5.2%), Northern States Power (0.7%), Carolina Power & Light (4.3%), FPL Group (10.3%) and Montana Power (15.3%).

Strong sales

Electricity sales to all classes of customers were strong in 1985, according to the sampling.

Southern Co. President Edward Addison called the year one of the company's "strongest years ever." Operating revenues at the utility were up 11.3 percent and earnings increased 6.7 percent.

Commercial electric sales at Southern climbed 8.3 percent, while industrial energy use rose 2.0 percent and residential sales went up 2.0 percent.

At Dominion Resources, kilowatthour sales increased 6.2 percent last year and sales were up 2.2 percent at

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News Briefs

JILL BUCHHOLZ, Editorial Assistant

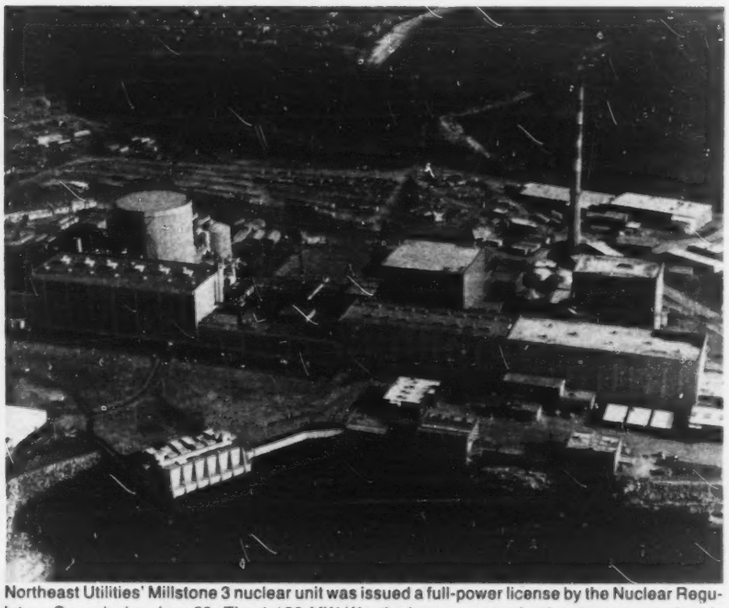
Niagara Mohawk delays fuel loading at Nine Mile Two project

● Nuclear fuel loading at the 1,084 MW Nine Mile Two nuclear project will be delayed for up to ten weeks, according to Niagara Mohawk Power Corp. The delay will probably push back the original Oct. 1986 commercial operation date said the company. The cost of completing the project is estimated at $5.35 billion, although Niagara Mohawk said the delay would add a minimum of $60 million a month. Under the terms of a proposed prudency settlement agreement now pending, and because of a "cost cap" of $5.4 billion set for the project in July 1984 by the state public service commission, stockholders would be expected to cover the additional costs caused by the delay. Niagara Mohawk, a 41 percent owner of the project, would cover $25 million per month of the total added costs. Other owners of the project are New York State Electric & Gas Corp. (18%), Long Island Lighting Co. (18%), Rochester Gas and Electric Corp. (14%) and Central Hudson Gas and Electric Corp. (9%).

PSE&G holding company formed

● The New Jersey Board of Public Utilities recently approved the formation of a holding company for Public Service Electric and Gas Co. (PSE&G). Effective May 1, Public Service Enterprise Group Inc. will be the parent of PSE&G and two existing subsidiaries, Community Energy Alternatives Inc. (CEA) and Public Service Resources Corp. an investment subsidiary. CEA will develop alternate energy projects and cogeneration projects.

NRC grants Millstone license



Northeast Utilities' Millstone 3 nuclear unit was issued a full-power license by the Nuclear Regulatory Commission Jan. 29. The 1,150 MW Westinghouse pressurized water reactor plant is scheduled for commercial operation May 1. Construction started on the unit in August 1974 and was completed for approximately $3.8 billion, said a utility spokesman. Millstone 1 (660 MW) entered commercial operation November 1970 and Millstone 2 (870 MW) entered service December 1975.

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EL&P readers whose responsibilities include both Generation and Transmission/Distribution receive both technology sections. Other readers receive the technology section that applies to their respective area of responsibility. The Generation edition is indicated by a single dot (•) in the upper right corner of page 1; the T/D edition carries two dots (••). All readers receive EL&P's industry news section.

Idaho Power buys eastern Oregon service areas

● The Idaho Public Utility Commission has approved a plan by Idaho Power Co. to purchase eastern Oregon territories, now served by CP National Corp., for approximately $65 million, according to commissioner Gene Maudlin. The utility will provide service to CP National customers in Union, Baker, Grant and Harney counties. Idaho Power filed a rate increase request last year for its existing territory and is expected to file a revised proposal based on its enlarged service area. The company will also file a plan to address rate issues associated with the purchase.

REA guarantees Oglethorpe Power $721M for Vogtle Plant

● Oglethorpe Power Corp. has received a $721 million loan guarantee from the Rural Electrification Administration (REA) to cover its portion of the Vogtle plant cost increase announced last August. "We realized last year that we did not have sufficient loan funds to complete the Vogtle project under the new cost estimate," said F.F. Stacy, general manager, "This commitment from the REA helps ensure that our financial requirement for Plant Vogtle will be met." Oglethorpe has invested about $1.7 billion in the $8.4 billion project so far and said it expects to invest a total $2.7 billion by the time the plant begins commercial operation in 1987.

NSP to ask for vote on stock split

● Northern States Power Company's (NSP) Board of Directors will ask shareholders to vote for a two-for-one common stock split later this year. The split would increase the number of authorized shares and change the par value of the common stock from $5 to $2.50. "We want as many individuals in our service territory as possible to own NSP stock," said Don McCarthy, chairman and chief executive officer. Common stock has been selling in the $50 range, compared with about $25 a share average for investor owned electric utilities, according to NSP.

TMI-1 back in operation after shut down

● TMI-1 went back into operation the first week of February, after a one week shut down in late January for repairs to a steam line link on the plant's secondary side. According to GPU Nuclear, the steam line link was causing a loss of about 25 MW in the plant. The plant had been operating successfully for three months before the shut down.

Palo Verde 2 and 3 scheduled for operation in '86 and '87

● Arizona Nuclear Power Project (ANPP) has announced that Palo Verde Units 2 and 3 are scheduled for commercial operation during the third quarters of 1986 and 1987, respectively. The 1,270 megawatt plants were originally scheduled for operation during mid-1986 and mid-1987. According to Ed Van Brunt, ANPP executive vice president, the main reason for the delay was that Unit 2's operating license was received later than expected. Unit 2 finished fuel loading in Dec. 1985 and construction on Unit 3 is about 99% complete, with fuel loading scheduled for the first quarter of 1987.

PP&L goes five years without job-related fatality

● Pennsylvania Power & Light Co. (PP&L) has operated a record five years without a job-related fatality, according to DeForrest S. Bast, director of safety and health. "The company has had five separate years without a fatality before, but never in a row like this," said Bast. He attributed the accomplishment to company systems that safeguard workers from accidental energizing of electrical circuits, use of protective equipment and safety consciousness in employees.

Kaiser/Lummus Crest will study Chinese coal project

● A contract to study China's $800 million coal gasification project near Beijing has been awarded to Kaiser Engineers and Constructors, Inc. and Lummus Crest Inc. The joint venture will study the technical and economic feasibility of a plant to be located at Yuxian in Hebei province. The plant will convert subbituminous coal, from mines not yet developed, into medium-BTU gas. The gas will be piped 240 kilometers to Beijing for domestic and industrial use. According to Kaiser, the plant will be designed to produce gas that is compatible with other coal gas currently being used in Beijing. Funded by the U.S. Trade and Development Program, the study is scheduled for completion in April.

Rehearing ordered on hydro question

● The full U.S. Court of Appeals for the District of Columbia vacated an October ruling by a three-judge panel of the court that said municipal power groups do have a "preference" in obtaining hydro plant licenses that are up for renewal. Acting on a petition for rehearing by the U.S. Justice Dept. and investor-owned utilities, the full court on Jan. 16 ordered a rehearing. Lawyers for both sides will file new briefs and prepare for more oral arguments. In October, the court panel reversed a Federal Energy Regulatory Commission decision and ordered the commission to give the license to operate the Merwin Dam in Washington state to a local municipal corporation. The dam had been operated for 50 years by Pacific Power & Light Company. The debate hinges on interpretation of the Federal Power Act of 1920 and whether it grants a preference to public power agencies in obtaining licenses that come up for renewal. In February, the House Energy and Commerce Committee approved a bill that would take away the preference for municipalities. The legislation would mean that investor-owned utilities and municipals would compete on an even basis. Similar legislation is pending in the Senate.

Revenue, earnings increase . . . from page 1

Utilicorp United, parent of Missouri Public Service.

Said Utilicorp, "Performance in 1985 was affected by a strong showing in electric sales to industrial customers, an indication of a healthy service area economy and an overall trend to increasing industrial usage in the metropolitan Kansas City service area."

Retail customer sales at Central and South West rose 2.5 percent over 1984 levels and Northern States Power's retail sales rose 2.6 percent last year. Energy sales were up 2.1 percent at Carolina Power & Light.

Total kilowatt-hour sales of electricity within Niagara Mohawk's service area increased 6 percent in 1985, according to Senior Vice President of Finance and Accounting L. Wallace Cross.

Negative results at Orange & Rockland (O&R) were reported due to a change in accounting methods for the company's oil and gas subsidiary. O&R said improved economic conditions in its service territory resulted in a greater number of commercial customers in 1985. Also, retail sales rose 1.7 percent. Electric revenues at the company increased slightly to $352 million last year, from $349 in 1984.

KPL Gas Service noted that electric energy sales were slightly higher than in 1984 (0.9%), reflecting abnormally cold weather in the fourth quarter offset by an unusually cool summer season.

Weather played a part

Weather also played a part in Detroit Edison's electricity sales. Total kilowatt-hour sales went up 2.3 percent, but residential sales decreased for the year said the utility because of cooler summer weather. Detroit Edison's residential sales in the fourth quarter rose due to colder December temperatures.

Despite a sales decrease of 4.8 percent for 1985, Niagara Mohawk Power reported a 1.4 percent increase in earnings.

"A tight cost containment program and successful securities investment strategy have helped enable the company to post improved earnings for a fifth consecutive year," reported Minnesota Power Chairman and Chief Executive Jack F. Rowe.

Although Minnesota Power's revenues were down 1.1 percent last year, the company managed a 15.0 percent increase in earnings per share.

The 7.87 percent in earnings per share at United Illuminating is primarily due to increased sales, savings from several cash conservation meas-

Continued on page 12

FERC names acting chairman

Anthony G. Sousa, a two-term commissioner of the Federal Energy Regulatory Commission, was named acting chairman by President Reagan in February. Sousa, whose term expires Oct. 1988, was formerly a vice president and general counsel of the Hawaii Telephone Company. He also has served as an administrative law judge at the California Public Utilities Commission.

Contract signed for Calif. wind farm

SAN RAFAEL, CA—Howden Wind Parks, Inc. announced completion of its first major wind farm development in the Altamont Pass area of California.

The subsidiary of the Scottish-based Howden Group said its 25 MW project, made up of seventy-five 330-kW wind turbine generators was sold to an unnamed institutional investor for $48 million.

Demonstration machine

Howden has installed ten 60-kW machines and a demonstration wind turbine rated at 750-kW on the same site. Pacific Gas & Electric selected the demonstration machine as the reference design for a conceptual study of a 100 MW wind farm that is currently in progress.

During the past three years, Howden pointed out that approximately 1,000 MW of wind plant has been installed in California.

In Europe the use of wind turbine generators also is growing. Howden said projections indicate that wind power could provide ten percent of Europe's electricity by the turn of the century.

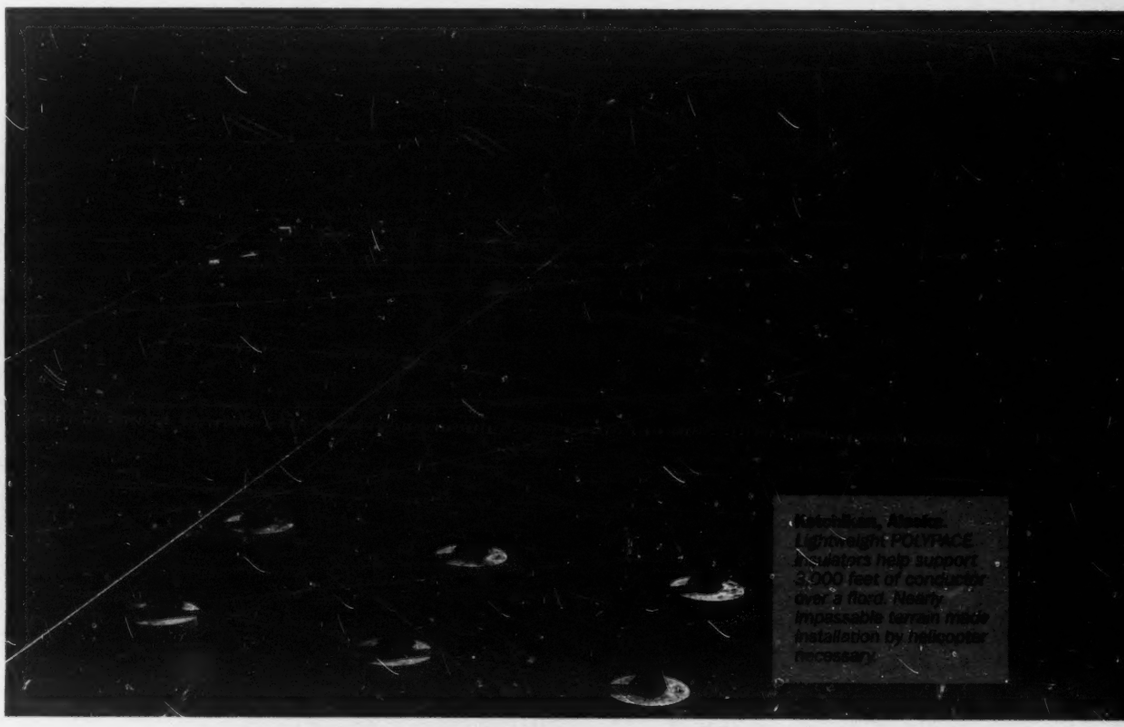

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Photo courtesy R. W. Beck & Associates, Seattle

Revenue, earnings increase . . . from page 11

ures and a greater amount of non-cash AFUDC. The company's auditors said they will qualify their opinion on United Illuminating's 1985 and 1984 financial statements due to uncertainties regarding the company's involvement in the Seabrook plant.

"Earnings were up because California Public Utilities Commission disallowances were less in 1985 than 1984," said Thomas A. Page, SDG&E president, chief executive officer and chairman.

Earnings per share rose 8.0 percent and SDG&E's operating revenues were up 7.3 percent. Page said the company "improved its financial health significantly" in 1985.

Montana Power's earnings were up so dramatically (155.1%) due to recognition of $65 million in carrying charges accumulated during the period its Colstrip-3 coal plant was in service prior to a state commission ruling in August that allowed the money to be added to the electric rate base.

Harry B. Sargent, Jr., executive vice president and chief financial officer of AZP Group, parent to Arizona Public Service (APS), said his company's earnings increase (6.3%) reflected customer growth and strong sales for APS.

As for the bad news last year, Pennsylvania Power & Light senior vice president Charles E. Russoli blamed the utility's 14.1 percent drop in earnings on the state public utility commission's decision to grant $121 million of a requested $330 million rate increase.

Iowa Resource's slight dip in earnings (0.2%) was caused by mild weather and problems in Iowa's agribusiness economy, said company President and Chief Executive Officer Mark W. Putney.

MDU Resources cited mild weather and the acquistions of several portions of generating capacity as the reasons for the decline in the profitability of its electric business.

Weather caused gas sales to decline at Louisville Gas & Electric. Also, the utility said its earnings decrease (16.9&) resulted primarily from an increase in operating and maintenance expenses and a decline in gas billings.

Cooler weather also hit Philadelphia Electric, electric sales rose only 0.5 percent last year. Utility Vice President of Finance and Accounting Joseph F. Paquette stated, "The decline in earnings (5.2%) is directly related to the write-off in September 1985 of $73 million of deferred fuel expenses which the Pennsylvania Public Utilities Commission ordered could not be recovered from PE's customers."

And, Middle South's problems with obtaining rate relief for its operating companies for Waterford-3 and Grand Gulf-1 had an impact on its earnings drop (29.7%). MSU's Chief Financial Officer R. Drake Keith said 1985 ended with adequate electric rate increases and the system should be in a position to improve its financial health.

SELECTED YEAR-END EARNINGS
(thousands of dollars)

Company	Operating revenues 1985	Operating revenues 1984	% Change	Earnings per share 1985	Earnings per share 1984	% Change
AZP Group	1,174,000	995,000	+17.9	3.88	3.65	+6.3
Boston Edison	1,203,972	1,316,668	(-8.6)	3.34	3.12	+7.1
Carolina P&L	1,934,715	1,854,250	+4.3	3.96	3.81	+1.3
Central Hudson G&E	504,802	523,189	(-3.5)	4.67	4.43	+5.4
Central & SouthWest	2,710,766	2,766,156	(-2.0)	3.61	3.43	+5.2
Detroit Edison	2,788,157	2,498,205	+11.6	2.33	2.20	+5.9
Dominion Resources	2,712,106	2,604,528	+4.1	3.60	3.46	+4.0
FPL Group	4,348,826	3,940,934	+10.3	3.11	2.62	+18.7
Florida Progress	1,653,100	1,394,200	+18.6	3.53	2.71	+30.3
Iowa Resources	341,305	325,851	+4.7	4.11	4.12	(-0.2)
Kansas P&L	1,354,128	1,480,182	(-8.5)	4.94	4.80	+2.9
Kentucky Utilities	536,039	530,904	+1.3	2.84	3.03	(-6.3)
Louisville G&E	675,202	676,296	(-0.2)	3.15	3.79	(-16.9)
MDU Resources	409,054	424,716	(-3.7)	2.87	3.02	(-5.0)
Middle South Util.	3,084,877	2,959,570	+4.2	2.01	2.86	(-29.7)
Minnesota Power	412,884	417,337	(-1.1)	4.67	4.06	+15.0
Montana Power	425,173	368,723	+15.3	5.23	2.05	+155.1
Niagara Mohawk	2,694,940	2,785,546	(-3.3)	2.88	2.84	+1.4
Northern States Pwr.	1,788,700	1,775,600	+0.7	5.93	5.18	+14.5
Orange & Rockland	523,521	537,985	(-2.7)	2.81	2.92	(-3.8)
Pa. Power & Lt.	1,976,502	1,562,782	+26.5	2.68	3.12	(-14.1)
Philadelphia Electric	3,013,704	2,981,017	+1.1	2.56	2.70	(-5.2)
Potomac Electric	1,315,699	1,197,534	+9.9	3.59	3.23	+11.1
Public Service E&G	4,409,054	4,196,124	+5.1	3.96	3.95	+0.3
St. Jos. P&L	77,281	76,779	+1.0	3.03	2.98	+1.7
San Diego G&E	1,738,702	1,620,701	+7.3	3.25	3.01	+8.0
Southern Co.	6,813,927	6,123,985	+11.3	3.20	3.00	+6.7
United Illuminating	514,936	509,470	+1.1	5.82	5.40	+7.8
Utilicorp United	243,150	234,251	+3.8	3.10	2.99	+3.7

Source: Company financial statements

Fusion research agreement signed

MUNICH, WEST GERMANY—An agreement was signed in January by the United States, Japan and the European Community to collaborate in research into advanced nuclear fusion through an information link between their experimental tokamak facilities.

Tokamak is an acronym taken from four Russian words to describe the magnetic fusion process, also known as controlled thermonuclear fusion, that combines hydrogen nuclei to produce helium.

Senior officials signed the agreement establishing the project, whose purpose is to develop nuclear fusion as a potential new power generating source.

Tokamak facilities are located at Princeton, NJ; Naka-Machi, Japan; and Culham, United Kingdom.

IEA Executive Director Helga Steeg said, "Before we can produce power from nuclear fusion it will be necessary to develop suitable technology and to prove economic viability. This is an area of long-term research that is likely to remain experimental into the next century, and one therefore that must at its present stage be funded almost entirely on government funding."

She added that the agreement "represents a significant new step in international collaboration."

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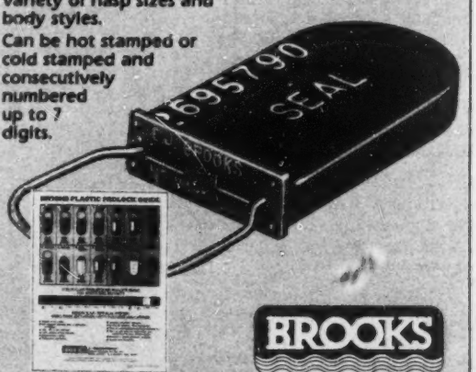

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Volume 64, Number 4
April 1986

Electric Light & Power

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Government expects to recoup coal investment

Don Minner
Associate Editor

WASHINGTON, D.C.—Potential participants in the federal government's $400 million Clean Coal Technology program were thrown a change-up in February, when the Dept. of Energy announced that it expected repayment for its contribution to planned demonstrations.

Controversy arose after DOE issued a Program Opportunity Notice (PON) Feb. 17 that conflicted with the view of Energy Secretary John S. Herrington. The PON is a notice explaining how to submit a proposal for federal assistance. Congress required that proposals be submitted to DOE by April 15 and that projects be selected by August 1.

The original PON stated that DOE would share in any revenues generated by the projects during their initial operation period.

However, testifying the next day before a Senate committee, Secretary Herrington said DOE's intent was to recover its money from a share of the project's profits during its commercial operation.

DOE spokesman Bob Porter told *EL&P* that the misunderstanding was corrected on Feb. 21 when DOE issued a modification to the PON stating that no revenue would be taken from the projects during their demonstration period. But, as previously stated, the government would expect to share in the profits—up to its investment—of the projects after commercial operation, and if the technology was ever sold or licensed.

"DOE believes that if the taxpayers are put at risk, they must be able to recoup their investment," he said.

According to the DOE budget proposal, the goal of the Clean Coal program is to provide financial assistance for the construction and operation of projects to demonstrate their feasibility for future commercial applications. Funding is being made available beginning in FY 1986 at a level of $99.4 million. In 1987 and 1988, $149.1 million will be made available. President Reagan also has the authority to provide an additional $350 million to the program.

Many of those with an interest in the program were surprised to learn after reading the PON that it was not a grant program.

At a conference on Clean Coal technology Feb. 19, National Coal Association (NCA) President Carl E. Bagge said Congress intended to provide incentives for industry to move quickly and effectively by providing innovative cost-sharing programs.

"The critical effort to demonstrate new ways to burn coal cleanly is being undermined by a new DOE plan to provide only loans, not cost-sharing grants," charged Bagge at the meeting.

Ben Yamagata, executive director of the Clean Coal Technology Coalition, told *EL&P*, "We are still working under the impression that Congress intended it to be a grant program."

The coalition is an ad hoc group of more than 40 groups representing electric utilities, coal companies, suppliers, contractors, governments, and trade associations.

He said members were "concerned" to learn that it was not a grant program. Yamagata noted that with the change in the PON, DOE is moving in

Continued on page 9

NEMA: electricity use to slow

BARRINGTON, IL—Electric utilities have cut back their estimates of growth in the demand for electricity to a 2.1 percent compound rate per year over the next decade according to the latest biennial survey conducted by the National Electrical Manufacturers Association. This is the lowest long-term growth rate projection since the NEMA biennial studies were started 20 years ago.

The 2.1 percent rate in the growth of electric energy use represents a 16 percent drop in growth expectations from NEMA's most recent previous survey in 1984. The growth rate projected in the 1984 survey was 2.5 percent.

Summer demand growth similarly was estimated at a 2.1 percent rate, to a total of 555 GW in 1994. This would result in a reserve generating margin of 23.8 percent in 1994 if all additions, retirements and adjustments currently planned are carried out.

For NEMA members, the suppliers of electrical apparatus for the electric utility industry, the grim outlook of two years ago has become even darker.

The report indicates generating reserve margins will continue to be adequate for the next several years, which means continuation of the drought for new generation system orders. It also shows reduced orders

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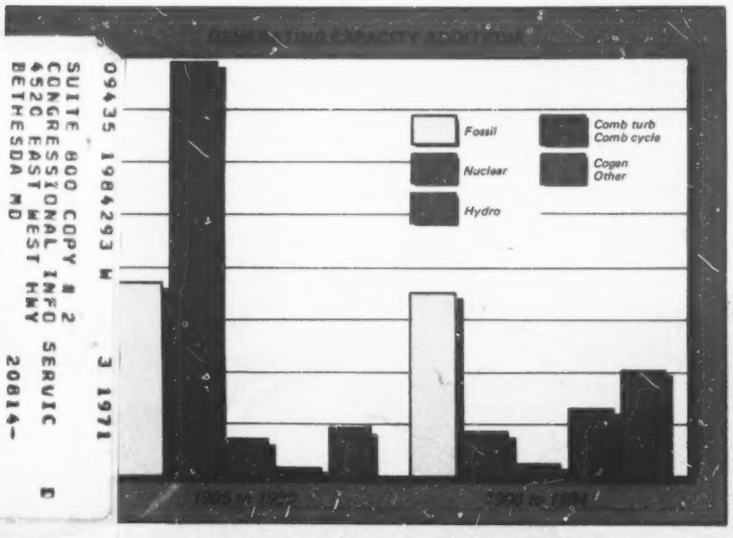

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SEGS II operating on SCE grid

Giant solar panels harness energy for the world's largest commercial solar electrical generating system, SEGS II, located in the Mohave desert, 70 miles northeast of Los Angeles. The 30 MW, $95 million system, installed on Southern California Edison's energy grid Dec. 21, is currently in start-up mode and performing ahead of expectations, according to LUZ Engineering.

Three to vie for Edison Medal

WASHINGTON, D.C.—Three investor-owned electric utility companies have been selected as nominees for the Edison Electric Institute's coveted Edison Medal. They are Florida Power & Light Co., Pacific Gas & Electric Co. and Pennsylvania Power & Light Co.

The three companies have been invited to submit formal presentations for final judging and selection of the 1986 award winner.

The companies were chosen by the Edison Award Review Committee, headed by *Electric Light & Power* Editor Robert A. Lincicome and including William Hayes, editor of *Electrical World*, and Lucien Smartt, editor of *Public Utilities Fortnightly*. The award, which includes the medal, a framed citation and a purse to go to the winning company's employee fund, will be presented to the winner at the EEI Annual Convention in San Francisco. The award will be presented on June 4.

Florida Power & Light Co. was nominated for "demonstrating its commitment to quality in all aspects of company operations, as exemplified by development and company-wide implementation of its internal Quality Improvement Program, a program characterized this year by an internationally recognized quality consultant as 'the most outstanding quality improvement program of any company in the service industry in the United States;' and for its dedication to industry service by offering this unique program to other utilities, government agencies and other service organizations."

Pacific Gas & Electric Co. was nominated for "demonstrated leadership in its defense of First Amendment freedom of commercial speech, again recognized by the U.S. Supreme Court as a result of the company's action in opposing the California state commission's opinion that literature of advocacy groups opposing the utility's rate design and other policies be enclosed in the envelopes of customers' bills. When judicial re-

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